

Talking points

Prepared Monday, June 2, 2008

SUMMARY

- **The time for stopgap, temporary, half-baked, politically-contrived, feel-good measures is long gone. Medicaid must have a long-term, sustainable funding solution; House Democrats have yet to put forward such a realistic long-term solution, opting instead to put it off for another year when the problem will only get worse.**
- **The state's new Fiscal Year begins on July 1 and state law prohibits any known deficits in Medicaid.**
- **If the Legislature fails to adopt the Mississippi Hospital Association plan to fund Medicaid, the Governor will be forced to begin cutting \$375 million in Medicaid services. He does not relish such action, but it will be required, and it will be done in order to protect the solvency of the program for Mississippians who most need its benefits.**

In the Senate, regarding the Medicaid issue, a majority of Republicans, a majority of Democrats, and a majority of African-American Democrats all voted for the Medicaid funding plan developed by the Mississippi Hospital Association and the Division of Medicaid. The Senate passed the bill – SB 2013 – by a vote of 41-to-7.

But the story is different in the House, where the House leadership has again fallen back on a tired old theme of raising tobacco taxes.

Members of the Medicaid Hospital Advisory Board appointed by the Governor said in a recent statement they supported the proposal put forward by the Mississippi Hospital Association. Their statement said they support SB 2013 and added the caveat that they would prefer a cigarette tax; of course, in a perfect world hospitals would naturally not want to pay a tax they'd been paying since the Fordice administration.

The Governor has stated this clearly: A cigarette tax to fill the \$90 million hole in Medicaid is not an appropriate option, as tying growing revenue needs like Medicaid to a declining source of revenue just doesn't make good fiscal sense. The House itself couldn't even muster enough votes to pass an increase in the cigarette tax. Neither is it fair to dip into the general fund and ask taxpayers to pay a tax the hospitals have been paying, and have said they will continue to pay.

The Mississippi Hospital Association proposal is logical and comprehensive.